project finance, merchant banking business for Indian and European entities, etc. The proposed subsidiary will get the status of European Community credit institution and will be entitled to open branches in any member State of the European Community as also to render cross border services.

The business plan submitted by the SBI is under discussion with the Bank of England. As a result of these ongoing discussions and on the advice of the Bank of England, SBI have made certain changes therein.

The Bank of England have stipulated a minimum capital to risk weighted assets ratio of 16 percent. The Bank of England have also stipulated integration of the European offices of the SBI with its subsidiary earlier than proposed in the original plan.

Assessment of rupee convertibility

*89. DR. Z. A. AHMAD:
SHRI N. E. BALARAM:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have made any assessment of the impact of the policy of partial convertibility of rupee on the trade account;

(b) if so, what are the details thereof;

(c) whether Government propose to make the rupee fully convertible on the trade account; and

(d) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) to (d) The new system of partial convertibility of the Rupee is being constantly monitored by the Government in consultation with the Reserve Bank of India. The monitoring results show that the system is working smoothly. The timing and the pace towards full convertibility on trade account will have to be determined taking into account several factors, such as the macro-economic stability achieved within the country, the international trading environment and conditions in international capital markets.

RBI clearance for setting up Cooperative Banks in Gujarat

*90. SHRI VITHALBHAI M. PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a number of proposals are pending with the Reserve Bank of India for the setting up of cooperative banks in Gujarat;

(b) if so, what are the reasons for the delay in their clearance;

(c) whether there is any proposal to set up Mahila Co-operative Banks in Gujarat; and

(d) if so, by when the proposal will be cleared, and if not, what are the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b) Reserve Bank of India (RBI) has reported that no proposals are pending with it for setting up of Urban Cooperative Banks in Gujarat.

(c) and (d) During the period July, 1986 to June, 1992, 6 proposals for organisation of Mahila Urban Cooperative Banks in Gujarat State were received by RBI. None of the proposals was approved by RBI because the areas in which they were proposed were observed to be adequately banked and nonagricultural business potential for women clientele was inadequate. Hence the RBI considered that the prospects of new units becoming viable would be meagre.